

Fostering Youth Employment in Africa

A Review of Rigorous Evidence

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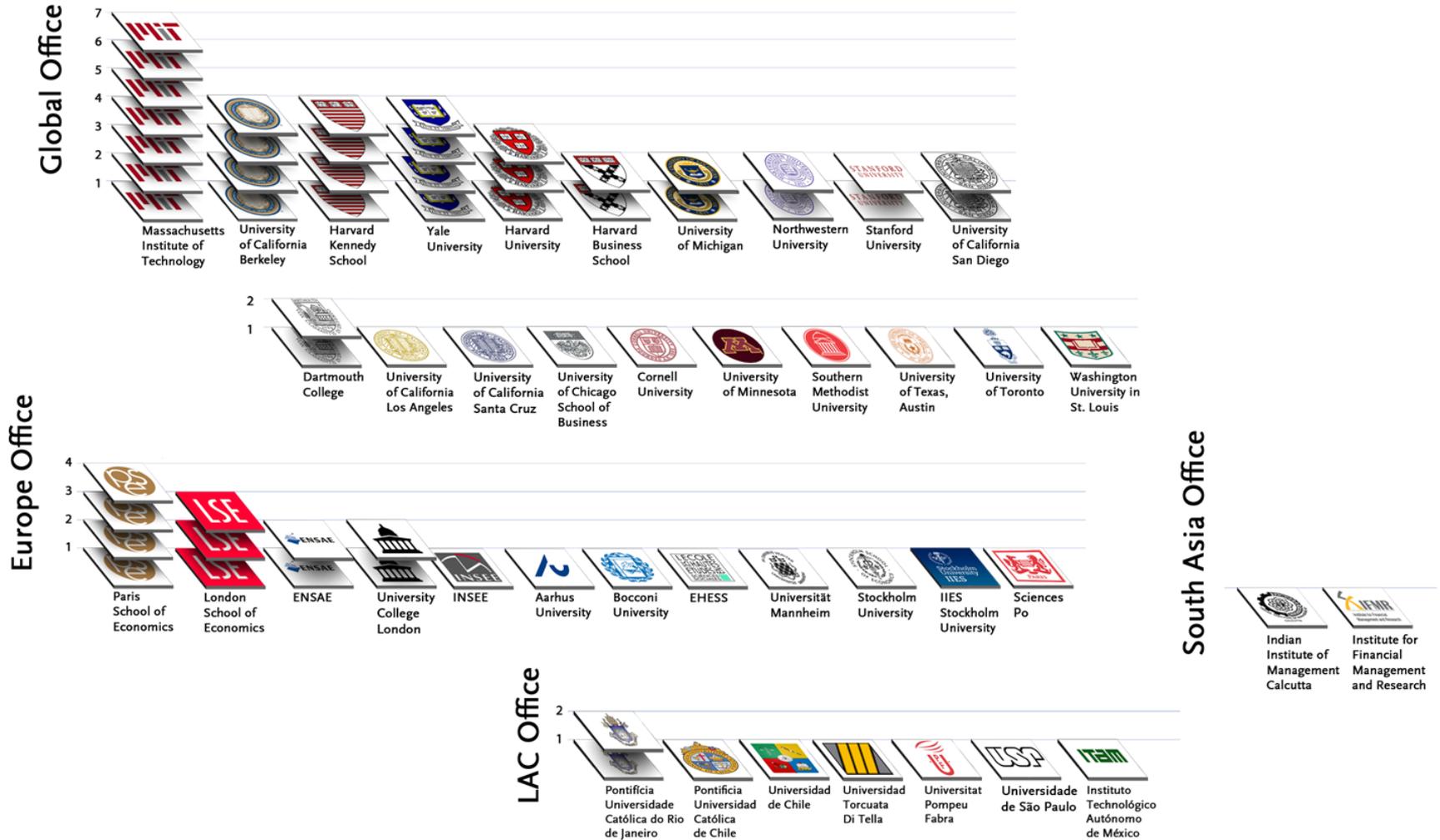
TRANSLATING RESEARCH INTO ACTION

Outline

- About J-PAL
- J-PAL's Youth Initiative
- Findings from the literature review
 - ▣ Employability
 - ▣ Active Labor Market Policies
- Discussion



J-PAL has a Network of 72 Affiliated Professors



5 Regional Offices, 350+ Completed and Ongoing Evaluations in 7 Thematic Areas



J-PAL's Youth Initiative

- Initiative Concept: fund that supports coordinated research agenda on a topic where policy-relevant evidence is needed
- Begins with **review paper** to identify state of knowledge
 - ▣ Focused on micro-level interventions
 - ▣ Updated version coming soon on J-PAL website
- Researchers compete for funding through several rounds of request for proposal (RFP)
 - ▣ One round of RFP complete—more on this later



What do We Mean by Rigorous Evidence?

- Impact of programs is hard to assess because of **selection bias**—those in the program differ systematically from those outside it
 - ▣ More motivated people go to training → impact of training may be overestimated
 - ▣ People with worse job prospects go to training → impact may be underestimated



What do We Mean by Rigorous Evidence?

- J-PAL affiliates conduct **Randomized Evaluations**
 - ▣ If implemented correctly, simple way to solve the selection problem
 - ▣ Ensures that only systematic difference between groups is random assignment to the program
- Review also includes other research that is careful about cause and effect
- Descriptive work helps define problem, suggest solutions, interpret results



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Employability: Motivation

- Family environment, household resources play powerful roles in skill formation
- Both cognitive and non-cognitive skills are significant inputs into:
 - ▣ educational outcomes
 - ▣ wages
 - ▣ labor force attachment
 - ▣ propensity to engage in risky behavior
- Substantial gaps in children from different socioeconomic backgrounds on cognitive and non-cognitive skills



Importance of Early Investments

- Health
 - ▣ Mass deworming in Kenya improved adult labor market outcomes (Baird et al. 2011)
 - ▣ Iodine supplementation *in utero* increased schooling in Tanzania (Field, Robles, and Torero 2009)

- Large body of research on critical or sensitive periods
 - ▣ Mostly from outside Africa (e.g. US preschool literature)
 - ▣ But likely generalizable



Education

- Access/Attendance
 - ▣ Providing information on economic benefits of schooling highly cost-effective in Madagascar (Trang 2008)
 - ▣ Conditional cash transfers (CCTs) shown effective in Malawi even with small transfers (Baird, MacIntosh, and Ozler 2011)
- Quality
 - ▣ Many successful primary-level interventions cluster around theme of “teaching at the right level”
 - Tracking in Kenya (Duflo, Dupas, and Kremer 2011)
 - Community teacher assistants in Ghana (A. Duflo, forthcoming)



Education: Post-Primary

- Much less known at this level
 - ▣ Emerging challenge with swelling ranks of primary-educated students, shortage of qualified teachers
- Ongoing work on vocational education (Hicks et al.)
 - ▣ Out-of-school Kenyan youths randomly selected to receive voucher (US \$325) for vocational training
 - ▣ Half of vouchers restricted to public training institutes, half unrestricted
 - ▣ Measuring returns to public and private training



Employability: Some Key Open Questions

- How late is too late? Are there effective interventions to develop non-cognitive skills for adolescents?
- Many questions around how to deliver quality, relevant post-primary education
 - ▣ J-PAL also starting a Post-Primary Education Initiative to address these topics



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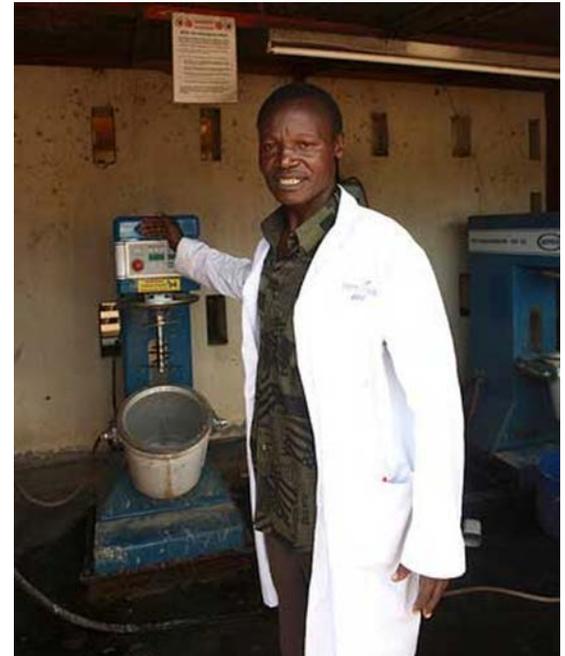
ALMPs: Motivation

- Many governments and other institutions implementing training, job search assistance, job creation programs
- Generally discouraging picture in literature
 - ▣ Often short-term benefits dissipate over time
- But implementation often precludes precise estimation of impact
 - ▣ Severe selection problem
 - ▣ Large administrative datasets – often poor quality



Job Training Programs

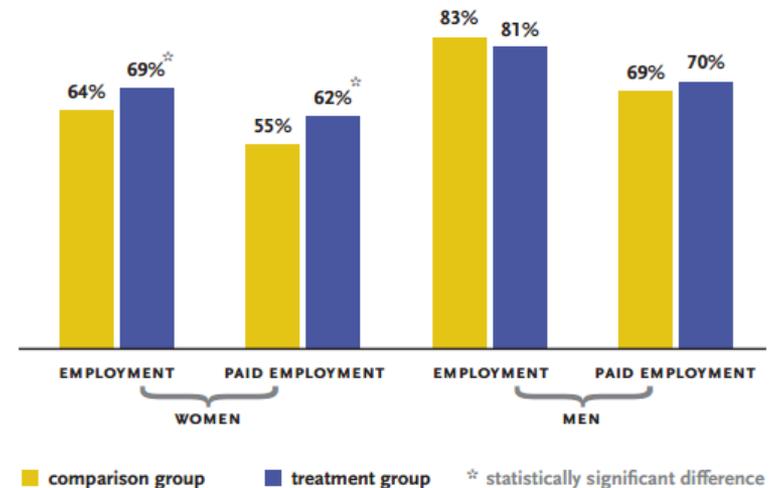
- Apprenticeships are primary model in Africa
- Descriptive work (Haan and Serriere 2002) suggests some challenges
 - ▣ Incentivizing the trainers: may not want competition
 - ▣ Barriers to access for females
 - ▣ Costs often prohibitive: fees, transportation, and (often most importantly) opportunity cost of time



Job Training Programs

- Evidence from Latin America
 - Modest effect on earnings in Dominican Republic (Card et al. 2011)
 - Mix of in-class and on-the-job training in Colombia increased employment, earnings for women (Attanasio, Kugler, and Meghir 2009)

FIGURE 1: VOCATIONAL TRAINING INCREASED EMPLOYMENT AMONG WOMEN BUT NOT AMONG MEN



Public Works

- Evidence from Europe (Kluve 2010) and developing countries (Betcherman, Olivas, and Dar 2004) countries suggests these programs are rarely effective beyond length of employment
- Often fail to target poorest
 - ▣ South Africa (Adato and Haddad 2002), Kenya and Botswana (Teklu and Asefa), Liberia (Andrews et al. 2011)
- Pre-post analysis in Liberia suggests program reduced depth of poverty (Andrews et al. 2011)



Informational Interventions

- Paradox of unemployment and vacancies
 - ▣ In Egypt, 1.5m unemployed youth and 600,000 vacancies in formal sector firms
- Evidence from several African countries that youth have unrealistic expectations about job market and wages
 - ▣ South Africa (Levinsohn and Pugatch 2009), Tunisia (Stampini and Verdier-Chouchane 2011), Morocco (Boudarbat 2005)
- Little research on job search assistance
 - ▣ Evidence from France that displacement can be a problem (Crepon et al., forthcoming)



Employment in Conflict Areas

- Reintegration of ex-combatants a major challenge
- Promising results for agricultural training in Liberia (Annan and Blattman 2011)
 - ▣ After 18 months, participants 37 percent more likely to have sold crops, spent fewer hours on illegal activities
- Ongoing work
 - ▣ Cognitive-behavioral therapy, life skills training, and grants for Liberian street youth (Blattman, Jamison, Sheridan)
 - ▣ Training in business skills and group dynamics for women in Uganda (Annan et al)



ALMPs: Some Key Open Questions

- In general, we need more rigorous evidence on ALMPs, and more evidence from Africa
 - ▣ Can different interventions be usefully combined, e.g. training and job search assistance?
- Could information campaigns or counseling help reset unrealistic expectations?
- Optimal design of job training programs, such as apprenticeships



Youth Initiative Next Steps

- Projects funded in first RFP with support from Nike Foundation
 - ▣ Negotiation skills for adolescent girls in Zambia
 - ▣ National Apprenticeship Program, Ghana
 - ▣ Information and postsecondary education decisions, Peru
- Actively seeking partners for funding, research, dissemination



Thank You!

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